



*Aircraft Owners and Pilots Association  
Testimony by: Craig L. Dotlo  
Northeast Regional Representative  
February 18, 2009*

**Introduction:**

By way of introduction, the Aircraft Owners and Pilots Association (AOPA) is the world's largest general aviation organization with a domestic membership exceeding 400,000, as well as a significant membership abroad. AOPA, which represents approximately 4,812 pilots and aircraft owners in Connecticut, is an organization focused on safe aviation practices, as well as advocacy on issues relating to pilots and aircraft owners worldwide. A more comprehensive explanation of our organization's mission and objectives can be located on the Internet at [www.aopa.org](http://www.aopa.org).

***AOPA Opposes Privatization of Connecticut Owned Airports***

*The following general parameters must be considered before  
Privatizing any state owned airports:*

- The Federal Aviation Administration (FAA) has provided substantial federal funding to state owned airports through the "airport improvement program" (AIP) to maintain the infrastructure of state airports
- The funding is not without conditions, since the FAA requires the state to comply with several conditions including covenants not to close the airport for 20 years after accepting grant money
- The FAA's conditions have been established to insure a network of airports exist nationally to facilitate interstate commerce for the purpose of promoting economic growth and jobs
- A prospective airport purchaser would be required to assume all of the AIP grant assurances and covenants
- The FAA's Privatization Pilot Program requires the State submit an application in advance of selling state sponsored airports to a private purchaser
- The application process and potential approval might require 2 or 3 years and the FAA would likely reject an application, if the purchaser could not financially demonstrate the ability to sustain the airport in its current condition well into the future

**Senate Bill 154 – A Study to Explore Better Governance and Effectiveness at Bradley**

**Senate Bill 692 – Explore Privatization of Bradley International Airport**

- In addition to the FAA's application process for transfer of ownership, the Program also requires at commercial airports 60% of airlines operating at Bradley MUST approve the applicant
- The Maryland Department of Transportation (MDOT) prepared a comprehensive examination of the governance and efficiency of Baltimore/Washington International Airport (BWI) including exploring the prospect of privatizing the airport. The Maryland study reflected it was more cost effective to maintain their state owned airport rather than attempting to privatize it
- Bradley established an enterprise fund to operate the airport, so it is not subsidized by the state treasury
- The national metrics used to evaluate commercial airports reflects Bradley ranks very high among the other nation's commercial airports with respect to its efficiency, management and safety

**House Bill 5898 – Privatization of General Aviation (GA) Airports**

**General Aviation Airports**

**Outright Sale of Airports to Private Entities:**

- As discussed above, the FAA's Privatization Pilot Program would be applicable to Connecticut's state owned general aviation airports: Waterbury/Oxford, Hartford Brainard, Groton, Danielson, and Windham
- Given the current economic and credit conditions in the United States, it is unlikely an investor could profit from the purchase of a small to medium size general aviation airport
- Most general aviation airports are barely self-sustaining without having the additional burden of paying monthly debt service. It seems highly unlikely a private entity could establish a positive cash flow given the costs associated with purchasing, financing, managing and operating an airport
- Currently, the FAA provides substantial financial grants under the AIP program to assist state and municipal sponsors maintain the infrastructure of airports. The FAA will be less likely to provide "grant funding," to private investors, who might be tempted to violate the established covenants and grant assurances
- Private entities failing to make a profit from general aviation airports would likely attempt to void the FAA grant assurances, so they could sell the airport for other development purposes, such as an industrial park, housing project etc. If they were allow to close the airport, it would lead to the partial destruction of the airport network system in Connecticut adversely affecting interstate commerce, which promotes business. It would be tantamount to shutting off exit ramps on Interstate 95 serving Connecticut communities along the south shore of the state
- Connecticut's state owned airports are among the safest in the nation, because the state has highly qualified personnel, who have performed exceptionally well

to maintain airports in a safe and working condition. Private investors tend to be more concerned about their "balance sheets" rather than having safety as a high spending priority

#### **Partial Privatization:**

- Approximately 10-years ago, partial privatizations were attempted at Danielson and Windham Airports by contracting with management and maintenance companies to handle the daily operations at those respective airports. While the maintenance contracts were satisfactory, the Fixed Base Operators (FBOs) who were contracted to manage the airports, were less satisfactory. The experiment revealed the FBOs were consumed with business interests rather than creating a seamless and effective management operation at the airport. Subsequently, the management contracts were not renewed and CDOT employed one airport manager to oversee operations at Danielson and Windham. The maintenance contracts have remained viable at those two airports
- While there was a cost savings to the state, those savings did not reflect the additional oversight required by the CDOT management team to ensure the contracts were being executed properly
- While it has been demonstrated a maintenance contract can be successful at a small general aviation airport, it does not necessarily follow a maintenance contract would be equally successful at a large GA airport such as Waterbury/Oxford or Hartford/Brainard
  - A maintenance contract must react to changing seasonal issues, such as grass cutting at more frequent intervals than provided in the contract. Long grass becomes habitat for birds, which attracts predatory animals on the airfield endangering flight operations
  - Groton Airport is known to have a large number of bird strikes requiring maintenance employees to manually keep the birds off the field. How could such an issue be successfully structured into a maintenance contract without the state paying a premium?
  - The large GA airports have much larger aircraft requiring a higher degree of maintenance and safety

#### **AOPA Supports Legislation to Provide Tweed New Haven airport with 1.5 Million in Operating Funding for the next fiscal year:**

Senate Bill – 745:

House Bill – 6270:

#### **Economic Benefits of Airports:**

By way of background information, the Massachusetts Aeronautics Commission (MAC) issued a report in 2000, to assess the economic impact of aviation in the Commonwealth. The study found that 41 public use airports in the Commonwealth generated over \$900

million in annual economic impact, \$261 million in annual payroll and provided over 10,000 jobs. This study did not include Boston Logan or Hanscom Airports, which are the Commonwealth's two commercial airports. Since Tweed caters to both commercial and general aviation, the results from Massachusetts suggest it is likely Tweed New Haven Airport will create the following economic stimulus, if allow to flourish with additional funding.

- Increased employment including increased income and payroll taxes from newly hired skilled employees
- Increased sales tax on goods and services purchased by new employees
- Increased aviation fuel flowage
- Increased capital investment and construction within the aviation sector
- Attracting new business and based aircraft into the state. In 2002, the Massachusetts Legislature concluded approximately 4 new jobs were created with each based jet aircraft in the Commonwealth
- Increased meals, lodging and related business associated with increased economic activity around airports
- Increased aviation activity, which will enhance the states qualification for more federal funding for airport projects
- And a variety of other secondary, tertiary and multiplier effects that are often overlooked by legislators.

**Tweed New Haven Airport's vision for the future with legislative assistance:**

- Continue to develop and operate first class regional airport service with expanded commercial air service proposed for Chicago, Washington DC and Atlanta
- Make capital investments, which will enhance public safety and create an economic stimulus for the New Haven region
- Partner with the surrounding neighborhoods to mitigate the impact of airport service growth
- Invest in community benefit programs to enhance noise reduction systems for homeowners, new traffic calming measures and other "good neighbor" policies